

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:	§	
	§	Case Number 09-50140
RENEGADE HOLDINGS, INC., et al,	§	Consolidated for Administration
	§	Chapter 11
Debtors.	§	

REPORT OF AUCTION

Peter L. Tourtellot, Chapter 11 Trustee, through counsel and for and on behalf of the bankruptcy estates of Renegade Holdings, Inc., Alternative Brands, Inc., and Renegade Tobacco Company (“Debtors”), presents to this Court and parties in interest this Report of Auction, pursuant to Rule 6004(f)(1) of the Federal Rules of Bankruptcy Procedure. Debtors show the Court the following:

1. On May 25, 2011, the Court entered an Order pursuant to Section 327 of Title 11 of the United States Code approving Debtors’ employment of Iron Horse Auction Co., Inc. (“Iron Horse”) [Docket No. 933] to sell at a public auction to be held at 6:00 p.m. on Thursday, June 23, 2011 at the Davie County Senior Center, 278 Meroney Street, Mocksville, NC 27028, the following real property (collectively referred to as the “Properties” or individually as defined in paragraphs 1 (a), (b), and (c) below):

(a) Three (3) parcels consisting of 310.57 +/- acres of adjoining land located on NC Hwy 801 and US Hwy 64 in Davie County, North Carolina with frontage on the Yadkin River and consisting of the following acreages (“River Property”):

(i) 228.48 +/- acres, Parcel# 5777870922, as described in Book 315, Page 3 of the Davie County Registry;

(ii) 66.49 +/- acres, Parcel# 5777994297, as described in Book 648, Page 352 of the Davie County Registry; and

(iii) 15.6 +/- acres, Parcel# 5788005450, as described in Book 648, Page 355 of the Davie County Registry;

(b) One (1) parcel consisting of 27.828 +/- acres located off US Hwy 601 North on Allen Road in Davie County, North Carolina, partially cleared and currently in crop production, Parcel# 5729587793, as described in Book 454, Page 60 of the Davie County Registry ("Allen Road Property"); and

(c) Two (2) adjoining parcels in Davie County, North Carolina consisting of the following acreages ("Hwys 601/801 Property"):

(i) 1.624 +/- acres with a brick building with frontage on US Hwy 601 South, Parcel# 5746515059, as described in Book 410, Page 941 of the Davie County Registry; and

(ii) .727 +/- acres with a wooden structure not in current use and appears abandoned with frontage on NC Hwy 801, Parcel# 5746514369, as described in Book 410, Page 943 of the Davie County.

2. Iron Horse conducted a public auction of the Properties at 6:00 p.m. on Thursday, June 23, 2011 at the Davie County Senior Center, 278 Meroney Street, Mocksville, NC 27028, as ordered by this Court.

3. Webster Swicegood, as agent, submitted the highest and best bid for the River Property in the amount of \$1,125,000.00 and entered into a purchase contract for the River Property (the "Swicegood Purchase Contract").

4. Justin M. Carter submitted the highest and best bid for the Allen Road Property in the amount of \$160,000.00 and entered into a purchase contract for the Allen Road Property (the "Carter Purchase Contract").

5. James E. Ruddock submitted the highest and best bid for the Hwys 601/801 Property in the amount of \$76,000.00 and entered into a purchase contract for the Hwys 601/801 Property (the "Ruddock Purchase Contract").

6. The gross price for the Properties, excluding the 7% buyer's bid premium, is \$1,361,000.00.

7. Mr. Swicegood, Mr. Carter, and Mr. Ruddock each executed a sworn representation that (i) his bid was submitted pursuant to the terms and conditions of the Order (A) Authorizing and Scheduling a Public Auction for the Sale of Certain Real Property Located in Davie County, North Carolina; (B) Authorizing the Sale of the Real Property Free and Clear of All Liens, Claims, Encumbrances and Other Interests and Transferring Such to the Proceeds Of Sale; and (C) Scheduling a Hearing to Consider Approval of Such Sale to the Party Submitting the Highest Bid entered by the United States Bankruptcy Court for the Middle District of North Carolina on May 25, 2011, and (ii) that the bidding was not pursuant to any improper collusive bidding practices, or other action in violation of 11 U.S.C. § 363(n). Iron Horse conducted a public auction of the Properties at 6:00 p.m. on Thursday, June 23, 2011 at the Davie County Senior Center, 278 Meroney Street, Mocksville, NC 27028, as ordered by this Court.

8. Debtors intend to ask the Court to approve the foregoing sales at the sale hearing to be held on June 28, 2011.

9. Pursuant to the terms of the Swicegood Purchase Contract, the Carter Purchase Contract, and the Ruddock Purchase Contract, closing is to take place within ten (10) days of this Court's final sale hearing, i.e., on or before July 8, 2011, or upon delivery of the Trustee's Deed (special warranty deed and non-foreign affidavit) to the respective purchaser, whichever is sooner.

WHEREFORE, Debtors request that the Court receive and accept the foregoing Report of Auction.

Respectfully submitted this 24th day of June, 2011.

s/ Gene B. Tarr
Gene B. Tarr, NCSB #11110
Special Counsel

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CERTIFICATE OF SERVICE

The undersigned does hereby certify that he has this date served a copy of the **REPORT OF AUCTION** by electronic mail on the parties shown on the attached list, or by depositing a copy in the United States Mail, postage prepaid, if noted as “via first class mail.”

This 24th day of June, 2011.

s/ Gene B. Tarr
Gene B. Tarr, NCSB #11110
Special Counsel

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